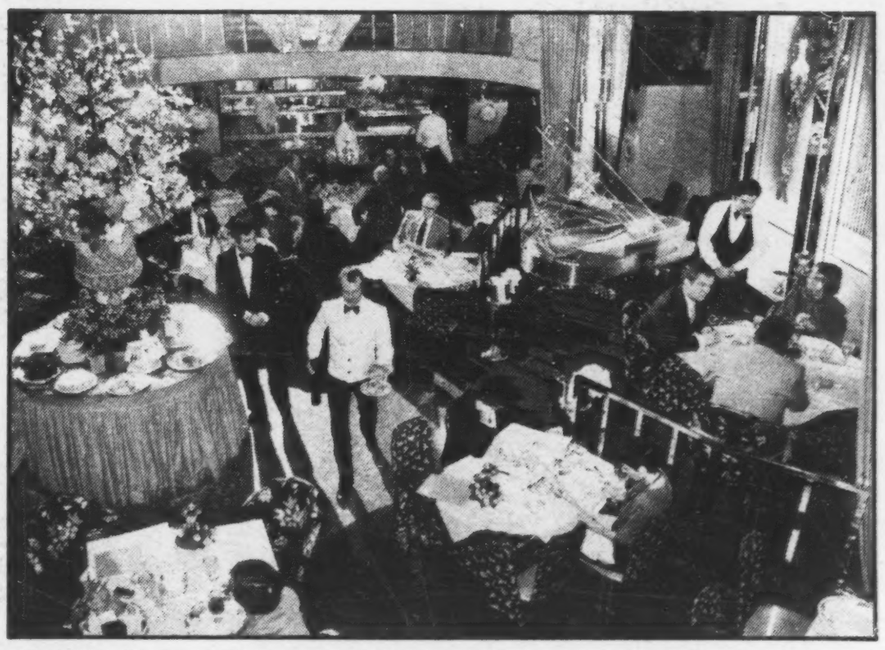
C5150-5 3/7/83

PROFILE: WALLY BOTELLO
Restaurateur with a game plan—Page 35

0000086 NR
JOHN KENNEDY/STI
CONGRESSIONAL INFO SVC INC
4520 EAST-WEST HWY/STE#800
WASHINGTON DC 20014

Nation's
Restaurant News®
The Newspaper of the Food Service Industry

Vol. 17, No. 5 | Published every other Monday, 25 times a year, by Lebhar-Friedman Inc.; $2 a copy, $15 a year | February 28, 1983



Although La Mer got off to an inauspicious start, shrewd marketing has put the restaurant on the road to recovery.

Creating a new mystique at Chicago's La Mer

NRN Special Report

CHICAGO—La Mer, the unique and luxuriously priced Rush Street-area French seafood house, has launched the Bistro de la Mer, a scaled-down restaurant within a restaurant.

It is one of many changes and innovations at the critically acclaimed restaurant since its very slow start two years ago as a private club. It is all part of an apparent effort to increase sales and broaden its market.

La Mer is a collaboration between two of the area's most vital food-service figures—restaurateur/showman Arnie Morton, and Jean Banchet, internationally known chef/owner of Le Francais in Wheeling.

Its debut as a private club in January 1981, however, proved to be a big marketing mistake. In the summer of '81 it went public, and from most reports customer counts have been moving steadily upward ever since.

(Continued on page 37)

At IRS hearings on Tip Reporting . . .

Angry operators, workers blast tax law, demand relief

By Ken Rankin

WASHINGTON—Food-service industry hostility over new Federal tip reporting rules erupted in Washington earlier this month as a parade of angry restaurant operators, union leaders and individual waitresses demanded relief from the controversial disclosure requirements.

Both the tax service regulations and the new Federal law that prompted them came under steady fire from industry management and labor representatives who took turns blasting the tip requirements as "abusive," "discriminatory" and "un-American" during a stormy, day-long public hearing at Internal Revenue Service headquarters.

New Jersey restaurant consultant Paul Samperi described the tip disclosure rule as an example of "Big Brother" government, adding that within the food-service industry the law "is about as popular as the Stamp Act of 1765."

If anything, representatives of the nation's food and beverage workers voiced even harsher criticism of the new IRS rules which require restaurants with more than 10 employees to help Federal tax collectors track down waitresses who fail to report tips equaling at least 8% of the value of the meals they serve.

San Bernardino, Calif., union leader Kathy Paulson from Local 535 of the Hotel Employees & Restaurant Employees International called the rule openly

(Continued on page 78)

While at NRA winter meeting . . .

Tip reporting battle plan forged

By Richard Martin

LAHAINA, Hawaii—Responding to industry frustration over the new tip reporting regulations, the National Restaurant Association has moved to forge a political battle plan for revision of the tip-tax law.

At its winter board of directors meeting here, the NRA also took steps to sharply increase funding of its Government relations activities.

With committee sessions at the Hyatt-Regency Maui dominated by debate over tip income allocation provisions of the 1982 Tax Equity and Fiscal Responsibility Act, the NRA created an ad hoc committee to present recommendations momentarily calling for the dispatch of an action task force to Washington.

"What we're talking about is an *action* task force, not a *study* task force," NRA president John Dankos stressed. "We're very much concerned about increasing our funding and getting all factions of the industry to participate."

While the tactics of the NRA's proposed task force are yet to be defined, its goals will likely be reflective of board members' concerns which surfaced throughout the four-day schedule of committee sessions.

Government relations committee chairman John Cauley (president and ceo of Friendly Ice Cream Corp.) told board members that NRA "must be proactive, not reactive" in its

(Continued on page 78)

Fine dining segment weathers recession's worst blows

By Joe Edwards

A couple of years ago, before Ohio's industries were devastated by the recession and before the state's work force was hit by widespread layoffs, Cincinnati's movers and shakers regularly entertained their clients and friends at Maisonette.

They still do, but not nearly as often. Expense-account spending is off at Maisonette, a highly acclaimed French haute cuisine restaurant, and at some other fine dining establishments throughout the country.

"The auto dealers are not out entertaining," explains co-owner Michael Comisar. "Area meetings are not being held with as much frequency. Real estate people used to take their clients out to celebrate a closing; now they don't. Home builders aren't entertaining."

Yes, Comisar adds, "We've been hit by the recession. A restaurant of our ticket, a white tablecloth, five-star restaurant, is being touched by very logical things."

Comisar, whose restaurant was a 1980 winner of *Nation's Restaurant News'* annual Fine Dining Hall of Fame Awards, is not alone in his assessment of how the recession is affecting the fine dining segment.

Other past winners, representing some of the country's best restaurants, say they are starting to feel an economic pinch.

Still, their problems are far less pronounced than those of operators in other segments of the food-service industry. And some fine dining restaurant owners say they haven't noticed the recession at all.

(Winners of the 1983 Fine Dining Hall of Fame Awards will be honored by *Nation's Restaurant News* at a champagne brunch during the National Restaurant Association show in Chicago. *NRN* will publish a special section on the winners in the May 23 issue.)

Blessed with loyal, wealthy customers, impeccable reputations for quality food, service and innovation, and more than a little built-in recession-proofing, fine dining restaurants operate in a unique market niche that so far has sheltered most from everyday economic problems.

Beyond doubt times are tough, but these operators can at least say, "We're holding our own."

Sales volumes are off only slightly, if at all, they report.

(Continued on page 78)

Don Dianda, pictured in front of his Doro's in San Francisco, says he has seen only slight cutbacks in expense-account spending.

LATE NEWSBREAKS

John Boylan, president of Bonanza, has moved cross-town in Dallas to president of Peoples, the blossoming 35-unit casual restaurant chain. He succeeds Guy Van Dyke, who becomes a Peoples franchisee. Donald Thomson continues as Peoples chairman and ceo while Bonanza marketing senior vice president Jeff Rogers succeeds Boylan as president there.

Restaurant operators were trying to recover from the effects of a devastating mid-February blizzard which dumped up to 2 ft. of snow on major metropolitan areas all along the East Coast starting in Virginia. Sales during a critical three-day period from Friday through Sunday plummeted to virtually zero.

Elmont Steel, a Canadian diversified firm, has agreed to purchase a 58% interest in Kapok Tree Inns Corp., Clearwater, Fla., operator of five restaurants and a restaurant supply company.

Great Chefs Profile: Jonathan Waxman—Page 38

FINANCIAL NEWS

Strong finish lifts Skipper's 1982 results

BELLEVUE, Wash.—Skipper's Inc. salvaged a 5.4% fiscal year net profit gain by achieving a $513,000 fourth quarter net profit, double the figure of 1981's fourth quarter.

Revenues jumped 21% to $12.8 million for the quarter ended Dec. 26 from $10.6 million in the same period the previous year.

For the full year Skipper's net profit was $1.05 million compared to $953,000 in fiscal 1981. Revenues for 1982 were up 12% to $38 million.

The company, which operates and franchises 133 Skipper's Seafood & Chowder House restaurants in six Western states, opened 17 new units last year—12 company operated and five franchised (bringing the total of units franchised to 15). Average annual sales per unit in the limited-service, fast-seafood chain are now about $360,000.

President and ceo Gene Stone expressed gratification for the company's fourth consecutive year of what he called "strong" earnings gains. "It was a challenging year to say the least considering the soft economy and the high rate of unemployment in our market areas," Stone said. "Admittedly, we had a poor first quarter which made our jobs all the more difficult."

Senior vp Chris Lesourd reports that plans for 1983 call for development of from 20 to 30 new units, with emphasis on the Denver area, and entry into two new states—Hawaii and Nevada.

The company currently operates in Washington, Oregon, California, Colorado, Idaho and Utah, as well as British Columbia.

A program of menu expansion began last month with rollout of a new salmon-in-a-basket item for $3.29, backed up by 30-second television spots

The salmon item, a fillet cut into bite-size pieces and batter fried, is served with fries and coleslaw. Skipper's began serving all its entree items with both fries and slaw last year.

In March, the company will begin TV promos of its new Skipper's Platter ($3.69) of fish, shrimp and clams. The current high-ticket item is the same combo, plus scallops, for $4.59.

Currently, the average per-person expenditure is estimated at $3.25, with an average transaction being in the $5-$6 range.

The company plans to test a nonfried fish item this year for a possible introduction in 1984. Although some retooling of the kitchen might be required, the move would help satisfy what the company perceives as a demand for grilled or broiled fish.

Appeal denied in Chock Full o'Nuts dispute

NEW YORK—The United States Court of Appeals for the Second Circuit has denied an appeal by Jerry Finkelstein to overturn the results of Chock Full o'Nuts recent board of directors election.

Company president Leon Pordy said the decision effectively certifies the results of a bitterly fought contest between Finkelstein, a group of dissident stockholders, and the current board, headed by chairman William Black.

Food-service chain stock analysis table

Name	Symbol	STOCK PRICE: Two Weeks Ended Feb. 11 High	Low	Close	Change Amt.	Change Pct.	52-Week High	52-Week Low	TREND TO MARKET: Price Trend (% per day) Last 30 Days	Price Trend (% per day) Last 5 Days	Volume Trend (% per day) Last 30 Days	Volume Trend (% per day) Last 5 Days	EARNINGS/SHARE: Last Fiscal Year	Latest 12 Months vs Preceding 12 Months Change Amt.	Change Pct.	5-Year Annual Growth Rate	Profit Margin	P/E Latest P/E Ratio	DIVIDENDS: Indicated Dvd. Rate Amt.	Indicated Dvd. Rate Yield	Last X-Dvd. Date	FINANCIAL POSITION: Last Fiscal Year Revenue	Last Fiscal Year Earnings	Current Ratio	Last Fiscal Year (Per Share) Long Term Debt	Last Fiscal Year (Per Share) Common Stock Equity	Last Balance Sheet Date
—	—	$	$	$	$	%	$	$	%	%	%	%	$	$	%	%	%	—	$	%	—	$ Mil.	$ Mil.	—	$	$	—
Aca Los A Res	ALAR	7.00	5.50	7.00	1.13	19.15	7.88	3.63	.31	6.54	1.42	51.75	.05	-.42 F	-89.3	-16.0	.3	140.0	.00	.0	01-06-81	27.7	1.2	2.4	5.69	2.90	1081
Am Motor Inns	INN	30.13	28.00	28.63	-.38	-1.29	30.50	14.75	.01	-.39	-.99	-18.93	2.10	.45 Q	25.4	29.0	7.0	12.9	.25	.9	12-26-82	161.4	11.3	1.6	15.08	13.00	0782
ARA Services	ARA	36.88	34.75	36.88	1.13	3.15	38.00	23.50	-.12	.17	5.96	9.38	3.43	-.36 Q	-9.4	-8.0	1.4	10.8	2.00	5.4	11-24-82	2805.6	38.9	1.1	22.39	44.25	0982
Assoc Hosts	AHST	14.88	11.88	14.75	2.88	24.21	14.88	5.00	1.65	2.57	3.77	13.36	.58	-.21 Q	-28.0	-17.0	2.2	27.3	.12	.8	12-06-82	78.6	1.7	1.6	6.60	7.58	0982
Beefsteak Char	BCS	9.00	7.13	9.00	2.00	28.57	9.00	3.38	.76	3.01	6.90	14.30	.88	.26 F	41.9	34.0	3.6	10.2	.00	.0	00-00-00	86.2	2.1	1.2	1.49	3.09	1081
Bob Evans Farms	BOBE	27.25	25.75	27.25	1.25	4.81	29.06	14.66	-.01	.82	.00	20.64	1.09	.06 S	5.9	22.0	7.9	25.5	.30	1.1	01-18-83	173.4	13.7	1.7	.00	5.17	0482
Bonanza Intl Inc	BNZA	3.13	3.00	3.00	-.13	-4.00	3.75	1.06	-.23	-.33	-4.27	24.60	-3.33	-.69 N	NE	-62.0	-61.8	NE	.00	.0	00-00-00	24.1	-14.9	1.2	11.24	1.50	1281
Brock Hotel Cp	BHC	9.25	8.13	8.25	-1.00	-10.81	17.50	7.50	-.25	-.55	1.27	-.65	.59	.30 N	73.1	23.0	4.3	11.6	.10	1.2	12-13-82	165.1	7.1	1.2	11.01	3.90	1281
Calny Food	CLNY	15.00	14.25	14.25	.00	.00	15.00	4.91	1.17	-1.26	-3.57	-16.08	.74	.50 N	119.0	9.0	3.2	15.5	.20	1.4	01-27-83	37.0	1.2	.6	1.01	1.51	0282
Captain Crabs	CRAB	3.88	3.38	3.88	.75	24.00	3.88	1.00	1.73	.00	4.82	-27.60	.00	.00 F	NC	NC	.0	NE	.00	.0	00-00-00	.9	.0	7.0	.04	.22	0882
Carrols Develop	CRL	9.63	8.09	9.38	1.38	17.19	9.63	2.75	.50	2.04	-2.53	-2.50	.44	.29 S	70.7	21.0	1.9	13.4	.07	.7	02-02-83	68.6	1.3	.6	6.55	4.00	0582
Chart House	CHHO	25.13	23.00	25.13	2.00	8.65	28.13	15.88	.10	.46	-.19	-8.49	2.08	.05 F	2.4	13.0	4.9	12.1	.60	2.4	12-27-82	353.9	17.7	.9	14.53	10.14	1281
Chi-Chis	CHIC	26.88	24.13	24.63	-2.00	-7.51	26.88	7.97	.57	-2.39	-3.24	8.73	.37	.18 S	60.0	26.0	11.1	51.3	.00	.0	12-20-82	14.9	2.1	3.1	.74	.82	0481
Ch Full O Nut	CHF	14.88	13.63	14.75	1.00	7.27	18.25	9.25	-.08	.96	-.55	11.84	.34	-.23 Q	-38.3	-13.0	1.4	39.9	.40	2.7	12-09-82	115.8	1.6	3.1	.43	5.97	0782
Churchs Fr Ch	CHU	34.88	33.13	33.75	-1.13	-3.23	40.75	25.00	-.37	-.07	3.40	-15.05	3.52	-.06 N	-1.7	16.0	10.8	9.9	1.00	3.0	01-24-83	412.1	44.6	1.9	1.02	15.25	1281
Cindys Inc	CNDYC	3.25	3.00	3.25	.13	4.00	3.88	2.63	.57	.74	-.68	-3.37	-.06	1.37 F	NE	NE	-.6	NE	.00	.0	00-00-00	17.0	-.1	.0	7.17	.29	1281
Collins Foods	CF	19.38	17.50	18.38	-1.00	-5.16	22.63	8.53	-.28	.72	2.94	4.26	1.69	.50 S	33.1	15.0	3.2	9.1	.24	1.3	12-23-82	298.0	9.6	1.3	7.44	10.69	0482
Consul Corp	CNSL	14.13	12.25	14.13	1.38	10.78	14.13	5.25	.43	2.76	-.61	6.16	.00	-.12 S	-70.5	NE	.0	282.5	.00	.0	00-00-00	17.6	.0	.7	2.21	2.88	0582
Cracker Barrel	CBRL	20.25	20.00	20.00	.00	.00	22.50	8.25	-.12	-.25	-3.53	-4.97	1.03	.05 Q	4.6	19.0	3.7	17.7	.00	.0	00-00-00	35.4	1.3	1.9	5.35	6.69	0782
Dennys Inc	DEN	30.38	27.63	29.00	-1.00	-3.33	36.88	19.34	-.40	.53	1.65	17.73	2.47	.29 S	12.7	9.0	3.9	11.3	.64	2.2	03-04-83	955.7	36.8	1.4	15.81	15.02	0682
Dunkin Donuts	DUNK	17.00	16.25	17.00	.00	.00	18.94	7.41	-.18	.93	-1.72	-46.14	1.40	.19 F	15.7	19.0	8.8	12.1	.24	1.4	02-07-83	68.7	5.7	1.3	7.63	7.07	1081
Frischs	FRS	15.88	14.63	15.38	.38	2.50	15.88	7.09	.46	-.73	.95	-26.55	1.80	-.15 S	-8.7	14.0	3.8	9.8	.40	2.6	11-29-82	101.0	3.8	1.5	6.23	13.58	0582
Godfathers Pizza	GFPZ	20.38	19.00	19.38	-.88	-4.32	20.63	9.63	.85	-.90	.05	3.93	.58	.63 N	NC	130.0	16.0	30.8	.00	.0	00-00-00	33.8	5.4	2.0	.76	1.01	1281
Hambrg Hamlet	HAMB	7.50	7.25	7.50	.00	.00	8.25	5.00	.62	.41	-3.90	50.00	1.35	.50 S	81.9	-8.0	3.2	6.8	.00	.0	00-00-00	31.6	1.0	.7	20.45	13.07	0382
Hardwicke	HAWK	1.50	1.38	1.38	-.25	-15.38	3.13	1.00	.70	-.72	-11.44	.00	-2.22	-5.08 N	-336.8	-63.0	-11.4	NE	.00	.0	00-00-00	30.6	-3.5	1.4	18.38	8.12	0981
Hilton Hotels	HLT	42.38	40.13	42.13	.00	.00	52.00	27.63	-.28	.47	-1.66	21.25	3.12	-1.10 F	-26.0	17.0	13.4	13.5	1.80	4.3	02-28-83	539.3	112.6	2.0	4.48	19.98	1281
Holiday Inns	HIA	37.25	34.75	36.00	-1.88	-4.95	40.25	23.75	-.30	.41	-.46	-27.73	3.66	.57 N	20.1	22.0	7.8	10.6	.80	2.2	12-13-82	1765.1	137.4	.8	20.99	25.33	1281
Holiday Inns A	HIA A	54.00	52.88	54.00	.00	.00	59.00	38.38	-.39	.16	-2.54	-50.00	NA	NA	NA	NA	NA	NA	.00	.0	00-00-00	NA	NA	NA	NA	NA	NA
Horn & Hardart	HOR	28.25	22.63	28.00	4.75	20.43	28.25	9.22	.56	.92	1.30	21.71	.95	.05 N	5.5	30.0	2.7	29.5	.00	.0	09-27-82	166.1	4.5	1.7	11.45	6.30	1281
Hungry Tiger	HTIG	10.25	9.50	10.00	.00	.00	10.25	4.00	.13	.48	-1.04	-15.56	.78	-.01 Q	-1.4	8.0	3.8	14.5	.00	.0	11-15-82	55.9	2.1	.6	4.91	5.57	0682
Imperial Grp	IMT	2.06	1.94	2.00	.00	.00	2.06	1.50	.13	-1.17	.48	21.88	.24	.00 F	.0	2.0	2.0	8.3	.14	7.0	09-28-82	8462.9	171.0	1.1	.65	2.08	1081
Intl Dairy Queen	INDQ	25.75	24.25	25.75	1.50	6.19	25.75	9.50	.28	.84	-4.08	-4.62	2.17	.45 F	26.1	37.0	6.2	11.9	.00	.0	00-00-00	91.3	5.6	1.1	9.68	5.82	1181
Int King Tab	IKNG	14.00	10.38	13.63	3.63	36.25	14.00	1.75	1.09	.29	-.42	-36.61	.33	1.00 S	NE	.0	1.4	21.0	.00	.0	10-09-79	36.6	.5	.3	4.09	3.77	0682
JBs Rest	JBBB	12.25	11.63	11.63	-.75	-6.06	12.50	4.25	.27	-1.00	-2.33	-35.99	.93	.27 Q	39.1	12.0	3.5	12.1	.16	1.4	02-07-83	45.1	1.6	.9	6.38	5.84	0982
Jerrico Inc	JERR	25.25	22.63	25.13	2.13	9.24	29.38	15.88	-.03	-.21	3.31	-6.45	1.75	-.20 S	-10.8	22.0	5.1	15.3	.12	.5	11-05-82	425.5	21.8	.9	3.64	11.24	0682
Kapok Tr Inns	KTI	5.63	4.63	5.38	.63	13.16	5.63	3.00	.75	-.97	3.20	1.53	-.37	-.13 F	NE	-31.0	-6.1	NE	.00	.0	00-00-00	13.8	-.4	3.1	1.93	5.84	0981
Kelly-Johnston	KEJO	20.00	19.25	19.75	.00	.00	24.50	9.34	-.03	.27	.05	-19.55	.59	.14 S	30.4	106.0	8.4	32.9	.00	.0	10-13-82	17.9	1.5	.9	.89	4.40	0382
Karcher Carl	CARL	25.25	23.25	25.25	2.25	9.78	25.25	9.00	.46	.24	-3.24	-8.99	1.51	1.78 N	NC	17.0	3.4	14.2	.00	.0	00-00-00	200.6	6.9	1.9	6.43	8.34	0182
Lubys Cafe	LUB	38.38	36.00	37.63	.13	.33	40.75	25.25	-.25	-.12	-1.26	32.63	1.69	.24 Q	15.8	21.0	9.1	21.5	.60	1.6	12-13-82	127.3	11.6	1.9	.80	8.49	0882
Marcus Corp	MRCS	10.88	10.25	10.88	.63	6.10	11.38	5.38	.62	1.05	3.10	-44.87	1.13	-.09 S	-7.3	3.0	5.7	9.5	.00	.0	08-24-81	103.8	5.9	.8	2.98	9.76	0582
Marriott Corp	MHS	55.63	50.25	55.38	1.50	2.78	61.88	32.00	-.39	.26	2.83	-66.63	3.44	.24 F	7.5	28.0	3.7	16.1	.36	.7	03-21-83	2000.3	86.1	.9	23.23	16.12	1281
McDonalds Cp	MCD	63.38	57.25	61.00	2.50	4.27	65.63	39.09	.18	-.66	-.45	-14.78	5.00	.64 F	14.6	17.0	10.9	12.2	.88	1.4	10-15-82	2477.2	264.8	.5	15.35	22.73	1281
Morrison Inc	MORR	19.00	17.88	18.88	.13	.67	19.88	8.50	.14	.09	-1.96	-12.21	1.16	.33 S	33.6	8.0	4.1	14.4	.36	1.9	01-03-83	364.3	15.1	1.4	2.95	7.90	0582
Mr Steak	MSST	3.13	2.50	3.00	.63	26.32	3.38	1.75	.52	.11	5.88	-40.20	-.98	-1.20 F	-545.4	-29.0	-2.7	NE	.00	.0	05-29-80	59.8	-1.6	1.1	4.26	3.76	0982
Nathans	NATH	2.38	2.00	2.00	-.38	-15.79	2.50	.72	-.02	-2.56	-1.88	-3.75	.03	.80 S	NE	NE	.6	20.0	.00	.0	09-09-82	16.7	.1	.5	.10	1.73	0382
Naugles	NAUG	21.50	18.00	21.50	3.50	19.44	21.50	6.84	.23	1.96	4.18	2.01	.78	.87 S	NC	49.0	3.9	24.7	.00	.0	11-01-82	55.8	2.2	.4	8.04	2.73	0682
Oakbrook Cons	OKCO	14.50	14.50	14.50	.00	.00	14.50	9.00	.09	-.25	8.11	-5.00	1.74	-.83 N	-47.9	3.0	1.3	16.1	.32	2.2	12-29-82	133.4	1.7	.8	5.60	13.02	0981
Orange-co	OJ	5.38	4.75	5.38	.25	4.88	10.88	4.38	-.28	1.41	-3.28	4.97	-.25	-1.69 Q	-156.4	-26.0	-.8	NE	.20	3.7	02-22-82	74.0	-.6	1.3	13.28	4.63	0882
Peoples Rest	PEPL	8.50	7.63	8.38	.50	6.35	9.88	2.88	.34	.36	.66	22.72	.19	.18 S	NC	78.0	13.8	46.5	.00	.0	00-00-00	5.8	.8	.5	.75	2.39	0682
Piccadilly Caf	PICC	16.88	15.00	16.88	1.88	12.50	18.13	13.50	-.13	.30	6.92	-34.66	1.39	-.11 S	-7.8	12.0	5.9	13.0	.56	3.3	12-09-82	142.6	8.4	1.9	.00	7.29	0682
Pizza Inn	PZA	8.75	7.63	8.38	.38	4.69	8.75	4.50	.76	-.16	-1.06	-36.06	.50	-.17 N	-27.4	-8.0	1.0	18.6	.00	.0	00-00-00	133.5	1.4	.9	12.94	6.65	1281
Pizza Time Thea	CHKY	20.25	18.25	18.75	-1.50	-7.41	32.50	14.25	.33	-.39	-1.61	-13.67	1.27	.69 F	118.9	41.0	7.0	14.8	.00	.0	00-00-00	36.2	2.6	3.2	.81	7.87	1281
Ponderosa Sys	PON	18.25	15.00	17.75	1.13	6.77	19.50	8.00	-.13	.17	6.86	-15.25	1.34	.66 N	69.4	-6.0	2.4	11.0	.33	1.9	01-07-83	353.9	8.5	1.0	13.32	11.23	0282
Ramada Inns	RAM	7.00	5.75	6.38	.38	6.25	7.00	4.25	.67	-2.53	2.47	-41.24	.05	-.60 N	-272.7	-24.0	.4	NE	.00	.0	10-19-81	395.5	1.4	.6	18.98	6.03	1281
Restaur Assc	RA	7.63	6.63	7.50	.75	11.11	7.63	3.25	.66	1.27	3.76	14.21	.97	-.32 N	-32.6	42.0	2.4	11.4	.00	.0	00-00-00	99.2	2.4	1.3	3.17	6.38	1281
Ryans Fam Steak	RYAN	23.25	21.00	23.25	2.25	10.71	23.25	6.16	1.10	1.08	-2.96	22.73	.65	.65 F	NC	75.0	10.2	35.8	.00	.0	01-20-83	7.9	.7	1.6	1.08	1.16	1281
Saga Corp	SGA	43.13	41.25	41.50	-1.50	-3.49	44.50	20.25	.14	-.73	1.46	-47.21	3.35	.78 S	25.2	41.0	1.9	10.7	.72	1.7	02-14-83	901.0	16.8	.9	8.51	17.72	0682
Sea Galley	SEAG	7.88	7.75	7.88	.13	1.61	10.63	5.50	.18	-.13	-2.39	12.26	.68	-.17 N	-24.6	45.0	4.5	15.1	.00	.0	06-02-81	49.0	2.2	1.8	2.38	4.99	1281
Servico Inc	SRVI	13.50	12.75	13.50	-.25	-1.82	13.75	7.03	.43	.12	-1.70	-12.07	1.54	-.82 N	-43.6	61.0	3.5	12.7	.00	.0	07-09-82	126.4	4.4	1.1	50.99	5.46	1281
Shoneys Inc	SHON	30.25	26.75	30.25	.38	1.26	32.38	12.75	-.18	1.36	.19	-5.20	1.60	.57 F	55.3	25.0	6.1	18.9	.20	.7	01-05-83	268.7	14.8	1.0	1.97	5.03	1081
Skippers	SKIP	10.00	9.50	10.00	.75	8.11	10.00	4.25	.74	-.03	4.21	-14.74	.72	-.01 F	-1.3	8.0	2.6	13.9	.08	.8	10-18-82	33.7	1.0	1.2	3.45	6.07	1281
Sonesta Hotel	SNSTZ	16.50	16.50	16.50	.00	.00	16.50	8.50	.31	-.28	-2.68	9.62	.94	-.70 N	-40.2	39.0	1.4	15.9	.20	1.2	06-25-82	145.0	2.1	.9	27.74	10.01	1281
So Hospitality	SHOS	6.25	5.75	5.75	.50	9.52	6.25	1.00	1.48	-2.70	-.07	-10.66	.14	.19 S	NC	23.0	2.5	30.3	.10	.0	00-00-00	20.3	.5	1.0	2.29	-.20	0582
Steak n Shake	STAK	4.50	4.25	4.25	.38	9.68	4.50	2.50	.90	-.76	2.19	-7.26	.18	.12 F	200.0	-28.0	1.4	23.6	.00	.0	05-17-79	56.5	.3	1.2	4.60	2.60	0981
Victoria Stations	VSTA	8.63	7.25	7.75	.88	12.73	11.00	5.00	1.09	-3.16	5.52	-18.04	.35	-1.07 N	-891.6	-41.0	1.0	NE	.00	.0	09-19-79	123.4	1.2	1.0	7.67	10.49	0382
Wendys Intl	WEN	16.00	13.00	15.63	1.63	11.61	16.75	8.16	.05	2.95	2.61	9.71	1.01	.10 N	10.1	18.0	7.6	14.3	.24	1.5	11-26-82	486.6	36.9	.6	2.56	5.27	1281
Webb Del E	WBB	13.13	10.63	13.13	1.88	16.67	13.13	4.88	.54	1.65	4.16	8.36	.56	.81 N	NE	-24.0	1.3	23.9	.00	.0	11-07-80	414.8	5.3	1.1	16.12	13.25	1281
Winners Cp	WNER	17.38	15.88	17.38	1.50	9.45	17.38	7.13	.46	1.30	3.01	-27.27	.67	.84 N	NC	6.0	2.1	20.7	.00	.0	00-00-00	72.7	1.5	.3	13.37	7.09	1281

KEY: NA—Not Applicable NC—Not Calculable NE—Negative Earnings Q-First Quarter S-Six months N-Nine months F-Fiscal year
**—Other than a quarterly multiple resulting from a fiscal year change.*

Data and Table Provided by Media General Financial Services, Inc., Richmond, VA 23261

FINANCIAL NEWS

14% profit rise signals slowed growth for McD

OAK BROOK, Ill.—Despite relatively weak sales and earnings in the last three months of 1982, McDonald's Corp. ended the year reporting a 14% profit increase to $300.6 million on a 10% rise in revenue to $2.7 billion compared to 1981 results.

For the year, systemwide sales were $7.8 billion, a 10% increase over the $7.1 billion sales reported in 1981.

In the fourth quarter ended Dec. 31, profits rose 12% to $68.5 million on a 9% increase in revenues to $690.3 million and a 9% rise in sales to $1.9 billion compared to the year-earlier quarter.

However, profits in the fourth quarter were $18.3 million less than what they were in the third quarter ended Sept. 30, and $18.1 million less than they were in the second quarter ended June 30. In the first quarter of 1982, the company's weakest profits were $58.5 million.

The fourth quarter of 1982 was marked by a noticeable slump in customer counts at many food-service companies, particularly fast feeders. The same economic conditions that adversely affected the industry in general hit McDonald's as well.

Other factors that may have affected McDonald's fourth quarter performance were Burger King's aggressive comparative advertising in October and November, and a tainted meat scare in October that was linked by the consumer media to McDonald's.

Still, McDonald's earned $68.5 million in October, November and December. Company chairman Fred L. Turner said he is pleased with the year's results.

"Our company's result in 1982 was very good given the economic environment," Turner said. He noted that profit margins at company-owned restaurants improved in the fourth quarter to 16.3% of sales compared to 15.2% in the same quarter a year earlier.

McDonald's plans for the year include stepped-up expansion in France, Norway, Italy and Taiwan, where McDonald's is underrepresented; a new advertising campaign that emphasizes what a spokesman calls the "special relationship" that exists between the chain and its customers, and the opening of about 500 units worldwide.

McDonald's is testing a carryout pack of 20 Chicken McNuggets in several markets. McNuggets, the company's newest menu item, were rolled out in all domestic restaurants in 1982. Turner said they have "broad customer appeal" and provide incremental sales.

At year's end, McDonald's owned, operated and franchised 7,259 restaurants worldwide compared to 6,739 at the end of 1981. Nearly 200 units opened in the fourth quarter and 96 others were under construction on Dec. 31.

Of the total, 1,341 were in foreign countries, including 417 in Canada; 38 foreign units were under construction at year's end.

Foreign currency exchange rates adversely affected international division sales in 1982. Sales in foreign McDonald's restaurants reached $1.44 billion for the year, compared to $1.35 billion in 1981. In the fourth quarter, international division sales rose to $368.8 million compared to $351.5 million in the same quarter a year earlier.

McDonald's will continue to draw on its "unmatched" ability to identify new domestic and international markets this year, Turner said. The fast feeder plans to re-establish itself in France, for example, where its longtime franchisee closed 14 of his Paris area restaurants last fall.

McDonald's won a lawsuit in which it charged the Paris franchisee, Raymond Dayan, of failing to meet the company's sanitation and service standards.

In this country, McDonald's continues to open restaurants in nontraditional sites. It now operates or franchises units in a museum, a zoo, hospitals, schools and shopping centers, as well as its usual freestanding and storefront sites.

Earlier this month, McDonald's opened a company-owned restaurant at Camp Pendleton Marine base in California.

EARNINGS REPORT

Company	Period	Period Ended	Total Sales*	% Change	Revenues*†	% Change	Net Income (Loss)*	% Change
ARA Services Inc.	13 wks.	12/31			$743.003	6.4	$ 13.800	2.2
Naugles Inc.	12 wks.	1/13			19.374	67.9	$525.837	69.0
	28 wks.				43.551	61.5	1.609	51.2
Marriott Corp.	16 wks.	12/31	$792.623	27.6			25.135	15.6
	12 mos.		2.541B	27.0			94.342	9.5
Pancho's Mex. Buffet	13 wks.	12/31			5.507	5.0	$171,485	33.0
People's	3 mos.	12/26	7.659	106.1	4.953	472.6	$208,000	1.4
	6 mos.		15.307	138.8	9.568	537.8	$489,000	33.9
Chart House Inc.	3 mos.	12/31			97.676	7.0	5.637	5.8
	12 mos.				382.047	7.7	18.716	5.6
Int'l Dairy Queen	13 wks.	11/30			19.644	9.1	$879,442	24.1
	12 mos.				99.308	7.1	6.161	10.4

Source: *Company earnings reports*

—loss in corresponding period
**In millions*
†In cases where companies do not break out their total sales for all units, revenues are indicated instead. These generally consist of company-owned restaurant sales, franchise fees and rental incomes, royalties and operating income, as well as other miscellaneous incomes, such as interest income and gains on real estate and construction.

Net profits rocket 150% at Southern Hospitality

NASHVILLE—Southern Hospitality Corp. said that profits for the second quarter, ended Nov. 30, increased to $222,676, nearly two-and-a-half times what they were during the comparable period in 1981.

Revenues for the quarter went up 38% to $6,765,311.

Profits for the six months ended Nov. 30 went up to $414,496, almost 150% over the comparable period of 1981.

Revenues for the six months were up 24% to $12,253,112.

The reasons for the sales and profit increases, the company said, were higher comparable store sales, the opening of three new Wendy's franchised units, and the purchase of 12 Mr. Gatti's Restaurants in middle Tennessee.

Southern Hospitality also said last month that it had purchased The Fishery and Oyster House, a Nashville restaurant, from Southern Fisheries Inc., for an undisclosed amount of cash.

Southern Fisheries was owned by R. Wayne Oldham, chairman of Southern Hospitality, and Henry R. Hillenmeyer, executive vice president. David McKenzie, marketing vice president, said the two executives sold that privately owned restaurant to the public company "in an effort to eliminate an additional conflict of interest." He said they were advised by tax officials to either sell it or put it in the public company.

The Fishery will be converted to an Ireland's. Southern Hospitality currently has three Ireland's operating. It also has two Tempo's restaurants, one of which just opened this month. In addition, the corporation franchises 22 Wendy's, with one under construction.

Ryan's profits near $1M mark

GREENVILLE, S.C.—Ryan's Family Steak Houses reported net profits of $974,000 for the year ended Dec. 31, a 47% gain over 1981.

Revenues for the company which went public during the year were $9.8 million, a 22% increase over the year before.

Fourth-quarter net profits were $312,000 a 69% rise, and revenues were $2.8 million, a 45% climb over the same 1981 fourth quarter.

The company owns and operates 11 and franchises two Ryan's budget steak houses. Three of the 11 restaurants were opened in the fourth quarter. A 12th was due to open in March with five more to follow by September. Two more franchised units are expected to open this year also.

Naugles reports 68% year-to-year gain

FULLERTON, Calif.—Naugles Inc., the rapidly growing 145-unit drive-thru chain, has reported a 68% year-to-year gain in second-quarter earnings on a 70% increase in revenues. For the 12 weeks ended Jan. 13 net income was $525,837 on sales of $19.3 million, compared to a $311,051 net on $11.5 million in sales for the like period last year.

For the 28 weeks ended Jan. 13 revenues increased 65% to $43.6 million from $27 million in last year's first half, while net income was $1.6 million vs. $1.25 million for the same period last year.

During the second quarter, Naugles opened 13 fast-food units, bringing its store total as of Jan. 13 to 144. Chairman Harold Butler reported the chain remains on target for its goal of 165 units by June 30.

At the end of the second quarter last year Naugles had 77 stores open. Butler indicated that in the first half of this fiscal year the company has opened 39 units, compared to last year's first half in which 13 restaurants were opened.

Sandwich Chef net up 7%

BIRMINGHAM, Ala.—Sandwich Chef reported net profits for the second quarter ended Jan. 1 of $167,313, a 7% gain over the same period a year earlier.

Revenues for the second quarter rose 13% to $4.5 million compared to the previous year's period.

Six-month net profits were up 10% to $382,734 and revenues increased 16% to $9.2 million, compared to the year ago period.

The company operates 168 delicatessen-style sandwich shops in seven states. It blamed its weak second quarter on low office-building occupancy rates in Denver and Houston, but added that results would improve in the second half of the fiscal year.

During the second quarter the company opened seven new outlets, including its first Chicago unit and two units acquired in New Orleans. Six units were sold or closed. Hot-dog and potato bars have been rolled into eight shops.

JB's posts 19% revenue growth in first quarter of fiscal '83

SALT LAKE CITY—JB's Restaurants Inc. reported that profits for the first quarter, ended Dec. 19, rose 18% over the comparable period last year to $386,006.

Revenues for the quarter increased 19% to $11,275,153.

Clark D. Jones, president and chief executive officer, stated that the record financial results were due to upgrading of the Big Boy Restaurant division, and increases in customer counts and the average check. He also noted that the company established a new sales record in November with two promotions: All-You-Can-Eat Shrimp and Steak, and a Halloween Coupon.

JB's opened two new Big Boy restaurants and reopened a remodeled restaurant during the quarter. It also reacquired three Big Boys in Omaha, after the purchaser defaulted. "We will upgrade these restaurants with our new menu items, salad and breakfast bars, charbroiler and minor decor adjustments," Jones stated.

New this month:

Wall Street View

See page 10

Taco Via profits up 45%

POMPANO BEACH, Fla.—Taco Viva reported profits for the second quarter ended Nov. 30 up 45% to $147,000, compared to the same period in 1981.

Revenues for the quarter climbed 16% to $3,602,000.

For the six months ended Nov. 30, profits rose 78% to $201,000, compared to the year earlier period.

Revenues for six months were up 17% to $7,054,000.

Taco Viva owns 40 restaurants in Florida and two in Georgia. During this fiscal year, it opened eight new units.

Vicorp earnings climb 44% in fiscal '82

DENVER—Vicorp Restaurants Inc. reported net income for the fiscal year ended Oct. 31 rose 44% over the previous fiscal year to $2,340,000.

Revenues in 1982 went up 22% to $51,156,000.

For the fourth quarter, net income increased 27% to $887,000, and revenues went up 32% to $16,741,000.

Increases were due to higher restaurant sales in company-operated units (up 27% to $40,326,000), and higher chainwide restaurant sales (up 14% to $133,470,000).

Vicorp operates 52 Village Inn Pancake House units and franchised 126 others. It also operates three other restaurants and franchises four others under different concepts. The company said profits and revenues "were not significantly impacted by the new concepts during 1982."